



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES CAPITAL ASSET LEASING  
CORPORATION**

**500 WEST TEMPLE STREET, ROOM 374-A  
LOS ANGELES, CALIFORNIA 90012**

**Thursday, May 8, 2014**

**2:00 PM**

Call to Order (14-2022)

**The meeting was called to order by President Frank at 2:05 p.m.**

**Roll Call**

**The roll call was taken by Twila P. Kerr, Board of Supervisors Executive Office, Commission Services.**

Present: Arturo Sneider, Judith Frank, Robert Bush and Mahesh P. Parekh

Vacancies: Second Supervisorial District

**I. ADMINISTRATIVE MATTERS**

1. Approval of Minutes from the March 12, 2013 LACCAL Board Meeting. (14-2027)

**On motion of Director Parekh, seconded by Secretary-Treasurer Sneider, unanimously carried (Second District appointment being vacant), the minutes of March 12, 2013 LACCAL Board Meeting were approved as submitted.**

**Attachments:** [SUPPORTING DOCUMENT](#)

2. Election of LACCAL Officers for 2014. (14-2032)

**On motion of Member Parekh, seconded by Member Bush, unanimously carried (Second District appointment being vacant), the Board elected Member Sneider as President.**

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**On motion of Member Bush, seconded by President Sneider, unanimously carried (Second District appointment being vacant), the Board elected Member Parekh as Vice President.**

**On motion of Vice President Parekh, seconded by President Sneider, unanimously carried (Second District appointment being vacant), the Board elected Member Frank as Secretary-Treasurer.**

## **II. RECOMMENDATION**

- 3. Recommendation: Approve the LAC-CAL Board Resolution Authorizing issuance of LAC-CAL Lease Revenue Bonds 2014 Series A (14-2028)**

**John Patterson, Treasurer and Tax Collector, requested the approval of the 2014 Los Angeles County Capital Asset (LACCAL) lease revenue bonds financing. The finances are used to purchase large equipment for County departments. LACCAL borrows money from the County treasury and uses the funds from bond anticipation notes thereafter purchases equipment needed. The debt service payments are secured through leases between LACCAL and the County [Los Angeles]. Mr. Patterson informed the Board that departmental lease payments are made on a monthly basis over the term of the lease. According to Mr. Patterson there are approximately 49 million dollars in Bond Anticipated Notes (BAN) outstanding. The "not to exceed" amount has been requested in the amount of 40 million dollars. There about 19 million dollars of cash in hand which will be used to pay back the 49 million dollar BANs plus accrued interest.**

**Mr. Patterson indicated staff is attempting to obtain a lower interest rate with the 2014 bonds, but understand the duration of the loan will be a much shorter term. The program would benefit several County departments who are in needed of purchasing large equipment. The primary program participants in the financing process is the Internal Services Department (ISD) who use the funds to purchase computer equipment, Department of Health Services (DHS) uses the funds to purchase medical equipment, Department of Beaches and Harbor also use funds for their department, and the [Los Angeles County] Sheriff's utilized their funds for purchasing police cars. Mr. Patterson noted the bonds will be priced by the middle of June and close before the end of the fiscal year.**

**President Sneider asked if it was a normal practice to have 3% as the not to exceed rate range. Mr. Patterson assured the Board that is a standard practice in finances in order to avoid surprises from rapid increases in**

interest rates. The Chief Executive Office [County of Los Angeles] budget instructions set the budget for equipment at 6% which includes 4% for interest and 2% for insurance. Mr. Patterson explained to the Board the importance of ensuring departments receive their refunds closer to the borrowing cost in efforts to allow departments to spend the money. Doug Baron, Treasure and Tax Collector, advised the Board that the Agency has received an upgrade from Standard and Poor's rating service. Moreover, the issuer credit rating has improved to +AA on the General Obligation (GO) Bonds and the lease ratings have increased to AA as well.

On motion of Director Bush, seconded by Secretary-Treasurer Frank, unanimously carried (Second District appointment being vacant), the Board adopted the Resolution authorizing issuance of LACCAL Lease Revenue Bonds 2014-Series A.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation: Approve the LACCAL Audited Financial Statements for the Fiscal Year 2012-2013. (14-2088)

Sandy Yoshima, Auditor-Controller's Office, presented the audited financial statements for the fiscal year 2012-2013. Ms. Yoshima indicated there was little to no changes to the audit report for the fiscal year. Director Bush asked if the firm selected to conduct the audit was chosen by the Auditor Controller (AC) or through a different process. Ms. Yoshima advised Director Bush there was a Request for Proposals (RFP) process which interested parties must go through. President Sneider asked if it was common to receive only one bidder through the RFP to conduct the audit. Ms. Yoshima informed the Board that as of late having only one bidder has been the norm. Secretary-Treasurer Frank questioned if there is a fee cap set. According to Ms. Yoshima, there is no such cap set but the auditors are familiar with the process and are familiar with the program as well.

On motion of Director Bush, seconded by Vice President Parekh, unanimously carried (Second District appointment being vacant), the Board approved the LACCAL Audited Financial Statements for the Fiscal Year 2012-2013.

Attachments: [SUPPORTING DOCUMENT](#)

### **III. MISCELLANEOUS**

#### **Matters Not Posted**

5. Matters not on the posted agenda, to be discussed and (if requested) placed on the agenda for action at a future meeting of the Commission, or matters requiring immediate action because of an emergency situation or where the need to take action arose subsequent to the posting of the agenda. (14-2029)

**Director Bush asked of any issues or topics for discussion the Board could expect in the near future. Doug Baron, Treasurer and Tax Collector, informed the Board the next anticipated meeting is not until January 2016 to approve the audited financials of the previous year. Lastly, Director Bush expressed his desire for future board meetings to become more welcoming and inviting to the public.**

#### **Public Comment**

6. Opportunity for members of the public to address the Commission on items of interest that are within the jurisdiction of the Commission. (14-2030)

**There was none.**

#### **Adjournment**

7. Adjournment for the meeting of May 8, 2014. (14-2031)

**The meeting adjourned at 2:25 p.m.**